

NAVRESREDCOMMIDWESTINST 4205.1F
Code N4
1 Aug 01

NAVRESREDCOMIDWEST INSTRUCTION 4205.1F

Subj: GOVERNMENT WIDE COMMERCIAL CREDIT CARD, (GCPC)

Ref: (a) NAVSUPINST 4200.94
(b) Contract Number GS23F98006
(c) COMNAVRESFOR P4000.1

Encl: (1) LOCAL INTERNAL OPERATING PRCEDURES FOR USE WITH THE
GOVERNMENT PURCHASE CARD PROGRAM

1. Purpose. To provide local policy and guidance for the implementation and operation of GCPC, establish GCPC monetary limits, and assign key personnel responsibility as required by references (a) through (c) and enclosure (1).

2. Cancellation. NAVRESREDCOMMIDWESTINST 4205.1E.

3. Key Personnel Assignment and Monetary Limits

a. Approving Officials

<u>Name</u>	<u>Rank</u>	<u>Office Limit</u>
Paul D. Hanson	LCDR	\$50,000.00

b. Cardholders

<u>Name</u>	<u>Rate</u>	<u>Single Purchase Limit</u>	<u>Monthly Limit</u>
Daniel B. Hupy	SK1	\$ 2,500.00	\$30,000.00
Sunshine Andaya	SK2	\$ 2,500.00	\$25,000.00
Nieve C. Orle	SKSN	\$ 2,500.00	\$20,000.00

c. Region-Wide Agency Program Coordinator (APC)/Disputes Point of Contact.

<u>Name</u>	<u>Rate</u>
Paul D. Hanson	LCDR
William F. McGowan	SKC (SW)

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4. Approving Official, Cardholder and APC Responsibilities

a. Approving Official shall:

(1) Review Statement of Account and Official Billing Invoice and forward to Paying Office.

(2) Reconcile all disputes.

b. Cardholders shall:

(1) Execute all purchase actions.

(2) Reconcile Statement of Account, noting any unresolved disputes, and forward to Approving Official.

c. Region Wide APC/Disputes point of contact shall:

(1) Establish region-wide GCPC monetary limits.

(2) Approve monetary limit changes.

(3) Approve Approving Official and Cardholder applications.

(4) Represent all Commander, Naval Reserve Readiness Command Midwest Approving Officials concerning personal disputes.

5. Detailed Internal Operating Procedures are contained within enclosure (1).

/s/

CDR SLAY

Chief of Staff

Distribution:

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Lists A (Readiness Commander/Department Directors), B (Special/Staff Assistants), C (Civilian Staff) and D (RESCENS)

LOCAL INTERNAL OPERATING PROCEDURES FOR USE WITH THE
GOVERNMENT PURCHASE CARD PROGRAM

1. General

a. The DON has issued a Task Order (#0003) under the GSA SMARTPAY Contract (#GS-23F-98006) to obtain purchase card services from CitiBank. These internal operating procedures provide guidance on the appropriate use of the purchase card by all NAVRESREDCOMIDWEST (REDCOM MW) personnel. The policy of REDCOM MIDWEST is to use the purchase card for all supplies and services at or below the micro-purchase threshold (\$2,500) as either a procurement method or a method of payment. All purchases must be accomplished in accordance with FAR Part 13, DFARS 213, NAPS 5213, NAVSUPINST 4200.94, the GSA contract and this internal operating procedure. REDCOM MW purchase cardholders shall only use the purchase card for authorized purchases in accordance with this internal operating procedure.

b. Definitions

(1) APC. The individual designated by the Commanding Officer or HA who shall have overall responsibility for the management, administration and day to day operations of the purchase card program at the activity.

(2) AO. The individual responsible for reviewing and verifying the monthly purchase card statements of the cardholders under his/her purview. The AO must verify that all purchases were necessary and for official government purposes in accordance with applicable directives. Unless otherwise specified the AO must also be the Certifying Officer for his/her cardholder(s) and in that capacity must certify the monthly billing statement and forward it to the appropriate office for payment.

(3) Billing Cycle. The billing cycle is the 30-day billing period cardholders may use their purchase card. For DON the billing cycle ends on the 21st of the month.

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(4) Billing Cycle Purchase Limit. The spending limit assigned each cardholder's cumulative purchases and transactions with a given billing cycle.

(5) Bulk funding. An advance reservation of funds where a commitment or obligation is recorded in the aggregate rather than by individual transactions.

(6) Cardholder. Any Government employee who is designated by the HA or designee to be issued a purchase card or purchase card account. The purchase card bears the name/account number of this individual.

(7) Commonly Used HAZMAT. For the purpose of this instruction, commonly used HAZMAT means hazardous materials or products that are customarily sold to the general public to be used for non-governmental purposes (commercial products) which are in the same size and packaging found commercially and subject to procedures found in NAVSUPINST 4200.92. Examples of those materials or products include those required on a routine basis to meet daily operational needs; such as, lubricants, batteries, toner cartridges, detergents, etc.

(8) Contracting Officer. Government employees who have the authority to bind the Government to the extent of their delegated purchasing authority. Purchase cardholders are provided that authority by their commanding officer or APC in writing by the issuance of a Letter of Delegation or SF 1402 Contracting Officer's Warrant.

(9) Credit Limit. The maximum dollar threshold assigned at the AO/billing level limiting the amount an account can have outstanding at any one time. The bank automatically sets the amount at three times the corresponding billing account 30 day limit.

(10) Disputes. Instances where the transactions on the cardholder's statements do not agree with entries in the log or retained receipts. This may include circumstances where the cardholder did not make the transaction, the amount of the transaction is incorrect or the quality or service is an issue.

(11) HCA. The official at one of the 23 DON components listed at DFARS 202.101 and NAPS 5202.101 (e.g. COMNAVSUPSYSCOM, COMNAVAIRSYSCOM, etc.) who has overall responsibility for managing contracting authority within their contracting chain of command. They are responsible for the delegation, redelegation and use of contracting authority including use of the purchase card by DON commands, DON activities and DON personnel under his/her contracting cognizance.

(12) HA. For the purposes of this instruction, HA is the military officer in command or the civilian executive in charge of the mission of a DON command or activity that has been granted contracting authority by the cognizant HCA and has overall responsibility for managing the delegation and use of this authority by personnel under his/her command.

(13) Purchase Card. The purchase card is the credit-card-like purchase account established with the bank that enables properly authorized Government personnel to buy and pay for mission requirements.

(14) Purchase Card Log. A manual or automated log on which the cardholder documents screening for mandatory government sources and individual transactions using the purchase card. Entries in the purchase card log should be supported by internal command documentation. The purchase card documentation should provide an audit trail supporting the decision to use the card and any required special approvals that were obtained.

(15) MCC. A four-digit code assigned to a participating purchase card vendor based on their industry classification. APC's can limit cardholder transactions by type of merchant by blocking out certain categories of vendors for use by activity cardholders.

(16) Monthly Cardholders Statement. The statement of charges forwarded to the cardholder at the end of the billing cycle detailing all of the charges during that period.

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(17) Monthly Billing Statement. The monthly billing statement is the official invoice for payment purposes which is provided to the AO. The billing statement identifies all of the purchase card transactions of his/her cardholders during a billing cycle.

(18) Services. For the purposes of this instruction, services are firm fixed priced (including unpriced orders with an established ceiling), non-personal, commercially available requirements in which we directly engage the time and effort of the contractor to perform a task. (e.g. Repairs, maintenance, annual maintenance agreements, etc.).

(19) Single Purchase Limit. The dollar threshold assigned to each cardholder for a single purchase/payment action.

(20) Reconciliation. The process by which the cardholder/AO review their monthly statements, reconcile against available vendor receipts and purchase card log and authorizes payment of those charges provided on the monthly statement.

(21) Transaction Type. The transaction type is the method by which an order is placed when using the purchase card. Purchase card buys may be made over-the-counter, over-the-phone or via the internet.

c. Designation of offices under Purchase Card Program

(1) APC. The specific duties include management and oversight of REDCOM MW program.

(2) AO. Duties as Certifying Officer and requirement to review cardholder's monthly purchase card statements.

(3) Cardholder. Person authorized to use the purchase card to buy/pay for supplies or services.

(4) Designated Billing Office. Designated DFAS OPLOC DFAS PENSACOLA, FL.

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(5) Comptroller. Financial/Comptroller person responsible for managing command funding. Comptroller and APC should work together to ensure funds approval process is streamlined to the maximum extent practicable. In addition, comptroller and APC must coordinate efforts to establish account limits for AO's and cardholders.

2. Establishing Local Accounts

a. The APC for REDCOM MW is LCDR Hanson and SKC(SW) McGowan. They are the command POC's for providing management and oversight for the REDCOM MW Purchase Card Program. In addition, they are the command POC's for establishing purchase card accounts.

(1) Prior to establishing purchase card accounts for local command personnel the APC will ensure that the prospective cardholder has received proper training in;

- Standards of conduct
- DON purchase card training (CD ROM/classroom training/etc)
- Internal operating procedures.

(2) Personnel wishing to become purchase cardholders shall;

- Provide a request to the APC (Identifying any required account limits)
- Attend DON required training including training on local procedures (Contact APC for internal training requirements)
- Obtain a Letter of Delegation or Contracting Officer's warrant(SF 1402) from the APC

b. Cardholder Account Limits. Use of the purchase card at REDCOM MW is subject to a single purchase limit normally \$2,500, a monthly cardholder limit and a monthly office limit. The purpose of these dollar limits is as follows;

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(1) Single Purchase Limit. The single purchase limit is a limitation on the purchase authority delegated to the purchase cardholder by the HA (or designee). This dollar limit cannot be exceeded unless a revised delegation of authority is issued to the cardholder raising his/her limit.

(2) Billing Cycle Purchase Limit. The billing cycle cardholder limit is the spending limit assigned the purchase cardholder's cumulative purchases in a billing cycle.

(3) Billing Cycle Office Limit. The monthly billing cycle office limit is the limit assigned the AO for the cumulative totals of the purchase cardholders reporting to them.

3. Internal Processes

a. Purchase Request Process. REDCOM MW cardholders shall ensure that sufficient funds are committed by the financial manager and available to meet the requirement of the purchase card action.

b. Screening. REDCOM MW purchase cardholders are required to screen all requirements from the statutory sources of supply (e.g., JWOD/UNICOR). In addition, the screening must be documented on manual or automated log.

c. Solicitation and Award Procedures

(1) Solicitation Procedures. REDCOM MW purchase cardholders are authorized to use the purchase card either over-the-counter, over-the-phone or via the internet (APC can limit to one or authorize all). Quotations of price and delivery for mission requirements shall be obtained from contractors and documented in the manual or automated log.

(2) Award Procedures. REDCOM MW purchase cardholders shall only award purchase card orders to responsible contractors who offer fair and reasonable prices.

In addition, all purchase card awards shall be documented on the purchase cardholders log (either manual or automated).

d. Receipt and Acceptance Procedures. REDCOM MW purchase cardholders are responsible for verifying receipt of all transactions. Where the purchase cardholder is billed but does not receive the supplies or services at the time of the receipt of the official invoice, the cardholder must fully certify the invoice with the anticipation that confirmation of receipt will occur within the next billing cycle. If the supplies or services are not received within the next billing cycle the cardholder must dispute the item using established dispute procedures. The cardholder must also certify that the quantity and quality of the items furnished are in accordance with the agreement with the vendor. The cardholder must save all receipt documentation in order to properly reconcile the purchase card statement at the end of the billing cycle.

If receipt documentation is not available, the cardholder must contact the end user, central receiving department or other person or persons responsible for receipt to obtain verification that the supplies or services have been received. The purchase card log or purchase file must be documented to indicate that proper receipt and acceptance has been accomplished.

e. Missing Documentation. If for some reason the cardholder does not have documentation of the transaction to send to the AO, he/she must attach an explanation that includes a description of the item, the date purchased, the merchants name and why there is no supporting documentation.

f. Reconciling Purchase Card Accounts

(1) Purchase Cardholders. REDCOM MW purchase cardholders shall at the end of each billing cycle (the 21st of the month for DON cardholders) reconcile the transactions appearing on his/her monthly statements by verifying their accuracy against cardholder records. The cardholder shall review all information on the monthly

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statement, verifying any alternate within the five day period, the AO or designated alternate shall presume that all charges are proper and certify the monthly invoice for payment. The cardholder is ultimately responsible for purchase card transactions being proper and for notifying the AO of any information he/she has knowledge of that impacts on the propriety of certifying the monthly invoice for payment. If transactions or credits are not included on the current statement the cardholder must retain the applicable documentation until the transactions or credit appears and can be reconciled. The cardholder must then sign the statement and forward the package to his/her AO or alternate. If the cardholder is unable to review their statement in a timely manner, the AO or alternate or APC must review and certify the cardholder's monthly statement. The cardholder upon his return must review the monthly statement and resolve any discrepancies with the AO or APC.

(2) AO. REDCOM MW AO's unless otherwise specified shall be the certifying officer for his/her cardholders monthly invoice. The AO/certifying officer is responsible for ensuring that all purchases made by the cardholders within his/her cognizance were appropriate and the charges accurate. He/she must resolve all questionable purchases with the cardholder. In the event an unauthorized purchase is detected, the AO must notify the APC and other appropriate personnel with the command in accordance with the command IOP. After review, the AO will sign the cardholder's monthly statement of account and maintain the documentation in accordance with agency procedures.

In addition, the AO is also responsible for certifying the monthly invoice resulting from the purchase/transactions of the cardholder's within his/her account structure. The AO is responsible for reviewing and certifying the monthly purchase card invoice within five days of receipt from the cardholder and forwarding it to the appropriate OPLOC or billing office. As the certifying officer the AO is responsible for timely certification of the monthly invoice. The AO is to presume that all transactions on the monthly statement are proper unless notified in writing by the purchase cardholder within five days from the

cardholder's receipt of his/her monthly statement. The presumption does not relieve the AO from reviewing for blatant improper purchase card transactions and taking the appropriate action prior to certifying the invoice for payment.

4. Restrictions of the Use of the Purchase Card. (see NAVSUPINST 4200.94, Enclosure (1))

5. Unauthorized Uses of the Purchase Card

a. A cardholder who makes unauthorized purchases or who uses the card in an inappropriate manner may be liable to REDCOM 13 for the total amount of the unauthorized purchases made in connection with misuse or negligence.

b. Unauthorized use of the card may also include the use of the card by anyone other than the cardholder identified on the front of the purchase card.

6. Lost or Stolen Cards

a. Telephone Notification. If a purchase card is lost or stolen the REDCOM MW cardholder must immediately notify CitiBank at the following phone number:

CitiBank Customer Service - 800-790-7206

b. Written Notification. In addition, on the next working day the cardholder must notify the APC and his/her AO's. The notification shall include the following information; the card number; - the cardholder's complete name; - the date and location of the loss; - if stolen, date reported to police and the date and time Citibank was notified; - any purchases made on the card the day the card was stolen; - any other pertinent information.

7. Separation of Cardholder. Upon separation from REDCOM MW, the cardholder will notify his/her AO of the expected date of leaving. In addition, prior to final signing out from REDCOM MW

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the cardholder will surrender their purchase cards to the APC. The APC will notify CitiBank to have the account canceled.

8. Billing Errors and Disputes

a. Cardholders should attempt to resolve all discrepancies or billing errors with the local merchant first.

b. If a cardholder receives a monthly statement that lists a transaction for items that have not been received he/she should do the following:

(1) Under Pay and Confirm procedures, pay the invoice in full in anticipation that the supplies will be received within the next billing cycle. If the supplies are not received, the purchase cardholder will dispute the item using established dispute procedures.

(2) If the charges are not authorized or items have not been shipped the purchase cardholder must dispute the charges. All charges must be disputed within 60 days of the receipt of the invoice on which the charge first appeared.

c. Defective Items. If the items purchased are defective the cardholder should attempt to obtain a replacement or correction of the item from the merchant as soon as possible. If the vendor refuses to replace or correct the defect or replace the item the cardholder must put the item in dispute.

9. Card Security. REDCOM MW purchase cardholders are responsible for the security of their purchase cards. The card is printed with the name of the employee who is the official Government representative authorized to use the purchase care. Only that person SHALL use the card.

It is the cardholder's responsibility to safeguard the purchase card and purchase card account number at all times. The cardholder must not allow anyone to use or gain access to his or her card or account number.

10. Standards of Conduct/Ethics Training

a. All REDCOM MW AO's and purchase cardholders will receive ethics and standards of conduct training in accordance with agency and command policy prior to assuming their duties with the REDCOM MW purchase card program.

b. All REDCOM MW AO's and purchase cardholders hold a public trust, their conduct must meet the highest ethical standard. All REDCOM MW cardholders shall only use their purchase cards to obtain supplies and services that are for official Government business.

